

## **BILL ANALYSIS**

S.B. 1682  
By: Averitt  
Human Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

In 2003, the 78th Legislature updated existing law on the children's health insurance program (CHIP) premium assistance to enable the Health and Human Services Commission to develop a Health Insurance Flexibility and Accountability waiver proposal to create a premium assistance option under CHIP. The premium assistance option, called the CHIP Premium Assistance Program, is designed to use state and federal CHIP funds to pay a portion of the costs of enrolling CHIP-eligible individuals into private employer or group insurance coverage.

S.B. 1682 clarifies enrollment eligibility, sets a time-frame for enrollment, and provides for the voluntary termination of enrollment in a private plan.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **ANALYSIS**

SECTION 1. Amends Section 1207.002(a), Insurance Code, as follows:

(a) Requires a group health benefit plan issuer to permit an eligible individual to enroll in the plan, without regard to any enrollment period restriction, on receipt of written notice from the Health and Human Services Commission (HHSC), rather than HHSC or a designee of HHSC. Provides that the written notice includes that the individual is a child eligible for, rather than enrolled in, the state child health plan under Chapter 62 (Child Health Plan For Certain Low-Income Children), Health and Safety Code, and eligible to participate, rather than be a participant, in the health insurance premium assistance program under Section 62.059 (Health Insurance Premium Assistance Program For Children Eligible For Child Health Plan), Health and Safety Code.

SECTION 2. Amends Section 1207.003, Insurance Code, as follows:

Sec. 1207.003. EFFECTIVE DATE OF ENROLLMENT. (a) Creates this subsection from existing text. Provides that enrollment in a group health benefit plan under Section 1207.002 (Enrollment Required) takes effect on the eligibility enrollment date specified in the written notice from HHSC under Section 1207.002(a) or on the first day of the first calendar month that begins at least 30 days after the date written notice or a written request is received by the plan issuer under Section 1207.002(a) or (b), as applicable.

(b) Requires the individual, notwithstanding Subsection (a), to comply with a waiting period required under the state child health plan under Chapter 62, Health and Safety Code or under the health insurance premium assistance program under Section 62.059, Health and Safety Code, as applicable.

SECTION 3. Amends Section 1207.004(b), Insurance Code, to require the plan issuer to permit an individual or family member to terminate enrollment under certain circumstances if the individual provides a written request to disenroll from the plan because the individual no longer wishes to participate, rather than providing satisfactory proof to the issuer that the child is no longer a participant.

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SECTION 4. Effective date: September 1, 2007.

**EFFECTIVE DATE**

September 1, 2007.